HIT – HIE & ARRA Update – September 8, 2009

MEETINGS Reminder:

Wednesday, September 9th: HIT General Stakeholders Group: 3 – 4:30 p.m. The meeting is at OVHA, 312 Hurricane Lane, Suite 201 in Williston or Dial In: 1-866-910-4857; PIN: 489421

Thursday, September 17th: Medical Informatics expert Don Detmer: 10 a.m. – Noon
Room 11, Vermont State House, Montpelier

Thursday, October 1st: HIT General Stakeholders Group: 1 – 3 p.m.
And then immediately following **HIT & Higher Education Work Group: 3 – 4 p.m.**
Meetings location t.b.d.

The fog begins to clear
Starting with the release of the two ONC (Office of the National Coordinator for HIT) guidance documents on August 20 and continuing with the release of the long anticipated State Medicaid Directors letter on September 1, we're considerably better informed about how this federal funding will all work. As usual, it's a little complicated, so I will go through it in some detail. *An important note: So far, we have NO detail on federal funding to support the purchase of or incentives to utilize EHR systems. All of the funding described below is for HIT and HIE infrastructure.*

Let's start with an overview of the two ONC guidance documents for two cooperative agreement distributions of ARRA funding:

1.) the **State Level Health Information Exchange (HIE)** Planning and Implementation program,
2.) **the Regional Health Information Technology Extension Center (RHITEC)** program.

The total national funding for **HIE is $564M** (for the 50 states, DC, PR and the Territories) and **$598M for RHITEC**'s estimated 70 regions.

The HIE funding will require a detailed application but *is not competitive*. The cooperative agreement amounts for each state will be determined by formula, with a base of $4M per state plus an "Equity" adjustment. While we will not know the precise amount of the Equity adjustment until ONC provides us with the figures, our rough estimate is that Vermont will receive an additional $1.1M through the Equity Adjusters, which divide federal resources based on each states' proportion of primary care physicians (40%), hospitals (30%), Federally Qualified Health Centers and Rural Health Clinics as a proxy for under-served and rural need (25%), and state population (5%). These factors quite clearly favor larger, higher population states. For comparison, NY state estimates receiving $16-18M total compared to our estimated $5.1M.

A Letter of Intent for the HIE application is due September 11, the application package is due October 16, and funding begins after in early 2010. The program runs for four years, requires no match in FFY10, a 1:10 match in FFY11, 1:7 in FFY12, and 1:3 in FFY13, but the guidance encourages front-loading expenditures in the first two years. This funding is to the state, requires identification of a state government lead for HIT-HIE, and will be overseen by the Division of Health Care Reform. One or more limited service position employees may be added to support this work, but a majority of the funding will flow through to VITL to support building and implementing the HIE infrastructure statewide, with a goal of interoperable connectivity to all health care providers and institutions, including not just physicians and hospitals, but long term care, home health, and community-based human services agencies. The *estimated* $5.1M in

ONC funding will not fill that complete vision, however, all of our planning documents will reflect that larger goal and we will be seeking additional funding to support that.

The RHITEC fund *is a competitive application*. VITL will apply for Vermont, as applicants must be non-governmental entities. A statewide Extension Center Advisory Board was established this summer and will provide broad public input to the application and on-going operation of the Extension Center. Anticipated funding is in the range of several million over four years. A preliminary application is due September 8 and if approved, a full application is due November 3 with awards announced December 11. Second and third rounds follow for the spring and fall of 2010.

State Medicaid Directors Letter

CMS will be providing 90/10 match for activities carried out by state Medicaid agencies (and sub-contractors) in support of both the Medicaid EHR meaningful use funding for providers (meeting certain still to be finalized criteria). Those 100% federal funds will be passed through OVHA by CMS to qualifying Vermont physicians and hospitals. (We continue to press, with other states, for the inclusion of other Medicaid providers in the Medicaid EHR funding program, but it may take Congressional action to expand this.) The time frame and specifics for EHR funding will start to become more clear at the end of the year when CMS publishes an Interim Final Rule on HIT, including the definition of Meaningful Use.

As a reminder, the "chain of definition" of Meaningful Use is as follows:

1. The ONC HIT Policy Committee work group recommends to full Policy Committee. (That has happened, along with two rounds of public comment.)

2. The ONC HIT Policy Committee adopts definition and makes formal recommendation to Dr. David Blumenthal, the National Coordinator. (This happened at Aug. 14 meeting.)

3. ONC (Dr. Blumenthal and staff) formally recommend definition to CMS. (By year's end.)

4. CMS publishes definition and how it applies to Medicare and Medicaid incentive payments (ARRA Sec. 4201) as an Interim Final Rule. (Also by year's end; there will then be a 60 day comment period.)

The SMD is the first formal communication from CMS on states' role in the implementation of Sec. 4201. CMS summarizes the "key take aways" from the letter and its six attachments:

- Upon receipt of the letter, States may immediately request the 90 percent FFP match for administrative planning activities;
- States should immediately contact their CMS regional office for further guidance and should maintain on-going communication while initiating planning activities;
- States should view planning activities as part of larger, evolving Statewide efforts; and
- Planning activities are for the purposes of administering the incentive payments to providers, ensuring their proper payments, auditing and monitoring of such payments, and participating in Statewide efforts to promote interoperability and meaningful use of electronic health records.
- States will be required to complete a State Medicaid HIT Plan (SMHP).

In this case "immediately" means after CMS determines what the formal Medicaid HIT Planning Advanced Planning Document (P-APD) format will be. CMS is working on that, and will be hosting an all-states call on Wednesday. We have already been in touch with the Boston regional office. The regional CMS HIT lead attended the multi-state meeting held in Vermont in early

August, is familiar with Vermont, and is working closely with us to get us the information we need to submit the P-APD funding request.

The SMD and its attachments (listed below) are all available at:
http://www.cms.hhs.gov/Recovery/11_HealthIT.asp
A. State Medicaid Hit Plan (SMHP)
B. Relationship between MMIS, MITA and HIT Adoption
C. The American Recovery and Reinvestment Act of 2009: Roles and Responsibilities of CMSO and the State to Administer and Implement HIT Incentive Payments
D. Office of the National Coordinator Grant Opportunities and CMS Funding Opportunities
E. Medicaid – American Recovery and Reinvestment Act (ARRA) Section 4201: Health Information Technology (HIT) Potentially Eligible for 90 Percent HIT Administrative Match
F. Health Information Technology Resources

Planning and Sequencing
As anticipated, these new sources of federal funding require revision of the existing *Vermont HIT Plan* (VHITP) to meet the specifications of the ONC and CMS. As previously reported, VITL President & CEO, Dr. David Cochran and I had been working on taking the VITL fall 2008 revision of the VHITP and updating it as an integrated "Vermont HIT and Health Care Reform Implementation Plan." However, because of the ONC requirements for a detailed strategic and operational plan, we have concluded that it will be simpler to start fresh. In fact, we have already begun, because we are required to submit it with our ONC HIE Cooperative Agreement application October 16.

It is important to stress that the October 2009 iteration of the VHITP is an "interim edition" and that while rearranged and rephrased, it will reflect the spirit and content of the previous versions of the Plan and its rich history of public and stakeholder input. While there will be limited opportunity to provide feedback (see below) between now and the October submission, we will then have the balance of the fall and early winter to complete a full revision, with lots of opportunity for stakeholder and public input.

The ONC HIE Cooperative Agreement is for planning *and* implementation. States self-assess and submit applications based on: a) not having an ONC compliant plan; b) having a partially ONC compliant plan; or c) having a fully compliant plan. We are taking the middle path, and will have a plan that complies with most of the Strategic Plan requirements and many of the Operational Plan components. Depending on when the Cooperative Agreement funding actually begins, we will have until March/April 2010 to complete the plan.

That 2010 edition of the *Vermont HIT Plan* will meet both the new federal requirements and the new state requirement passed in Act 61 (codified at 18 V.S.A. chapter 219 § 9351) for a "state health information technology plan." It will also include the State Medicaid HIT Plan (SMHP) as a chapter or appendix. In sum, there will be lots of planning activities and documentation, with no shortage of opportunity for public and stakeholder input.

Timeline
Here's a rough outline of the HIT-HIE planning activities coming up this fall.

September 9 First public review of the revised Vermont HIT Plan (VHITP) structure at the scheduled Vermont HIT General Stakeholders meeting.

September 11 Submission of Letter of Intent to ONC

September 17 Dr. Don Detmer, Medical informatics expert at State House, Room 11, 10 a.m. – Noon

September	Completion of VHITP "October 2009" edition by state and VITL staff.
	Submission of P-APD to CMS regional office to request approval of scope of funded activities.
	Drafting of ONC HIE Coop Agreement application, program narrative, and budget
October 1	Review of and public input on the October 2009 edition of the VHITP (to be submitted with ONC HIE Cooperative Agreement application) at HIT General Stakeholders meeting
October 16	Submission of ONC HIE Cooperative Agreement application
Oct – Dec	Further input on and refining of the plan in preparation for 2010 edition
	Development of State Medicaid HIT Plan (SMHP)
Jan	Anticipated ONC funding
Jan – Mar	Completion of 2010 edition of the fully ONC compliant *Vermont HIT Plan* incorporating SMHD.

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